

BMW
GROUP



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DRIVING THE NEXT ERA

BMW GROUP REPORT 2023

On the path to electric and digitalised mobility in a sustainable circular economy.
Report on the economic performance of the BMW Group and its environmental
and social contribution.

➔ Link to the online report

BMW GROUP REPORT 2023

The BMW Group can look back on a successful year 2023. The company is growing and also profitable. BMW is once again number one in the premium segment, with a highly attractive, innovative range of products available to our customers across all brands, segments and drivetrain technologies. Vehicles with all-electric drivetrain systems are our biggest growth drivers. At the same time, our Vision Vehicles demonstrate how we are setting up the NEUE KLASSE as our next innovative leap. Strong performance figures show that we are on track despite the numerous challenges in our environment.

You can find more information on the BMW Group and reporting year 2023 in the following report.

KEY PERFORMANCE INDICATORS

GROUP PROFIT/LOSS BEFORE TAX 17,096 Significant decrease from previous year ↓	EBIT MARGIN IN THE AUTOMOTIVE SEGMENT 9.8 Within the corridor of 8 to 10%	EBIT MARGIN IN THE MOTORCYCLES SEGMENT 8.1 Within the corridor of 8 to 10%	ROE IN THE FINANCIAL SERVICES SEGMENT 17.2 Within the corridor of 17 to 20%
GROUP WORKFORCE 154,950 Slight increase over previous year ↗	DELIVERIES IN THE AUTOMOTIVE SEGMENT 2,554,183 Slight increase over previous year ↗	DELIVERIES IN THE MOTORCYCLES SEGMENT 209,066 Slight increase over previous year ↗	SHARE OF ALL-ELECTRIC CARS IN DELIVERIES 14.7 Significant increase over previous year ↑
in € million	in %	in %	in %
at year-end	in units	in units	in %

This is a simplified presentation of the data. Detailed information on the performance figures as well as the identification of the origin can be found in the respective chapters.

[LINK TO CHAPTER](#) →
The BMW Group Strategy

THE BMW GROUP'S STRATEGIC GOALS

FINANCIAL GOALS

 Group EBIT margin

> 10%

 EBIT margin in the Automotive segment

8 - 10%

 Return on capital employed of Automotive segment

≥ 18%


NON-FINANCIAL GOALS - TARGETS FOR THE PERIOD UP TO 2025

 % Share of women in management positions

22%

↑

NON-FINANCIAL GOALS - TARGETS FOR THE PERIOD UP TO 2030

 Share of all-electric cars in deliveries

> 50%

↑

 Reduction in carbon emissions per vehicle in production

80%

↓

 Reduction in carbon emissions during a vehicle's use phase

> 50%

↓

 Reduction in carbon emissions in the supply chain

> 20%

↓

This is a simplified presentation of the data. Detailed information on the performance figures, as well as the identification of the depth of the audit, can be found in the respective chapters.

LINK TO CHAPTER →

5 About This Report

1 - TO OUR STAKEHOLDERS

9 BMW Group in Figures

12 Report of the Supervisory Board

20 Statement of the Chairman of the Board of Management

27 The Board of Management

29 Composition of the Board of Management and Supervisory Board

32 Dialogue with Stakeholders

35 BMW Group and Capital Markets

2 - COMBINED MANAGEMENT REPORT

38 Overview of the BMW Group

42 The BMW Group Strategy

52 Financial Performance

78 EU Taxonomy

90 Products

104 Production and Supplier Network

115 Employees and Society

123 Outlook

126 Appropriateness and Effectiveness of the Internal Control System and Risk Management System

127 Risks and Opportunities

142 Compliance and Human Rights

146 Internal Control System

147 Disclosures Relevant for Takeovers and Explanatory Comments

3 - GROUP FINANCIAL STATEMENTS

152 Income Statement for Group and Segments

153 Statement of Comprehensive Income for Group

154 Balance Sheet for Group and Segments at 31 December 2023

156 Cash Flow Statement for Group and Segments

158 Statement of Changes in Equity for Group

160 Notes to the Group Financial Statements

4 - RESPONSIBILITY STATEMENT AND AUDITOR'S REPORT

244 Responsibility Statement by the Company's Legal Representatives

245 Independent Auditor's Report

252 Independent Practitioner's Report

5 - REMUNERATION REPORT

256 Remuneration Report

256 Review of the 2023 Financial Year from a Remuneration Perspective

257 Outlook for the 2024 Financial Year

258 Remuneration of the Members of the Board of Management

297 Remuneration of the Members of the Supervisory Board

300 Comparison of Change in Remuneration and Earnings pursuant to § 162 (1) Sentence 2 No. 2 of the German Stock Corporation Act (AktG)

304 Other Considerations

305 Auditor's Report

6 - OTHER INFORMATION

307 Further GRI Information

318 SASB Index

321 TCFD Index

325 NFS Index

326 Consumption and Carbon Disclosures

328 BMW Group Ten-year Comparison

330 Glossary and Explanation of Key Figures*

337 Financial Calendar

338 Contacts

* Part of the Combined Management Report



CONTENTS

ABOUT THIS REPORT*

REPORTING CONCEPT

Integrated reporting and corporate strategy

The BMW Group regards its balance of economic, ecological and social interests as the basis for its commercial success. This report is intended to provide qualified insight into the BMW Group and explain our activities in a transparent, comprehensible and measurable manner. We are keen to demonstrate to our stakeholders how economic, ecological and social issues complement one another and are mutually dependent, and to identify the general external conditions that influence the Company. For these reasons, we explain [the BMW Group's strategy](#) as well as the latest developments and the way in which the business is managed on the basis of key financial and non-financial indicators and targets. [Dashboard](#)

On 12 March 2024, the Financial Statements of BMW AG were authorised for issue by the Board of Management and the Group Financial Statements approved for publication. The BMW Group Report (hereinafter also "the Report") combines the management reports of Bayerische Motoren Werke Aktiengesellschaft (BMW AG) and the BMW Group in a Combined Management Report.

The report is divided into the following sections:

- 1 – To Our Stakeholders
- 2 – Combined Management Report
- 3 – Group Financial Statements
- 4 – Responsibility Statement and Auditor's Report
- 5 – Remuneration Report
- 6 – Other Information

Reporting Outlook for 2024

Non-financial disclosure requirements are continuing to evolve. From the 2024 reporting year onwards, the BMW Group will be subject to the transparency requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). We are currently implementing the new sustainability reporting standards and assessing their impact on the structure and scope of the BMW Group's reporting with a particular focus on the management report.

[GRI Index: 2-4](#)

FRAMEWORKS APPLIED

The BMW Group Report is based on the following reporting and accounting standards,

Combined Management Report

The Combined Management Report is based on the following legal frameworks:

- German Commercial Code (HGB) (among other relevant legislation)
- Content of the Management Report in accordance with §§ 289 and 315 HGB
- Combined Non-Financial Statement (NFS) at Group and Company level in accordance with § 289 b and § 315 b HGB ([NFS Index](#))
- German Accounting Standards (GAS 20) underpinning HGB requirements
- German Stock Corporation Act (AktG)
- Taxonomy Regulation (Regulation (EU) 2020/852 of the European Council and of the European Parliament on the Establishment of a Framework to Facilitate Sustainable Investment, and amending Regulation (EU) 2019/2088) and its delegated acts ([EU Taxonomy](#))

* Part of the Combined Management Report.

The Combined Management Report is also based on:

- Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA)
- German Corporate Governance Code (GCGC)

Furthermore, the Combined Management Report makes reference to the following reporting standards and transparency requirements:

- GRI Standards 2021 of the Global Reporting Initiative (GRI) ([↗ GRI Index](#))
- SASB Standards according to the Sustainable Accounting Standards Board ([↗ SASB Index](#))
- Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) ([↗ TCFD Index](#))

Group Financial Statements

The Group Financial Statements of Bayerische Motoren Werke Aktiengesellschaft for the year ended 31 December 2023 have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and the supplementary requirements of § 315 e HGB.

ADDITIONAL INFORMATION ON THE REPORT

Publication and scope

The BMW Group Report is published annually to coincide with the BMW Group Annual Conference – most recently held on 15 March 2023 – and is subsequently available in both German and English on the BMW Group website. The [↗ GRI Index](#) is also available on the website as a separate document. The reporting period covers the financial year from 1 January to 31 December 2023. The statements made in the report generally relate to the BMW Group reporting entity. Any deviations are marked accordingly. The BMW Group Report 2024 will be published in March 2025.

[↗ GRI Index: 2-2, 2-3, 2-4](#)

External audit

The report, comprising the Combined Management Report, the Group Financial Statements and the additional GRI information, has been subject to an annual independent audit by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("PwC" or "Auditor"). Unaudited sections are marked accordingly. The external audit serves to underpin the reliability and trustworthiness of the information contained therein for the public. The external audit supports the Supervisory Board of BMW AG in fulfilling its auditing duties. Any links and disclosures that refer to information outside the BMW Group Report and the GRI Index are not part of the audit. The [↗ Remuneration Report 2023](#) was prepared in accordance with the requirements of § 162 of the German Stock Corporation Act (AktG) and its content audited by PwC.

PwC has audited the Group Financial Statements and the Combined Management Report for the 2023 reporting year and issued an unqualified audit opinion thereupon. Further information is provided in the [↗ Independent Auditor's Report](#) and the [↗ Independent Practitioner's Report](#) on Non-financial Disclosures.

The contents of the NFS, in accordance with § 289 b ff. and § 315 b ff. HGB, were subjected to an audit to obtain limited

assurance and are denoted with the symbol [\[i \]](#). The section [↗ Dialogue with Stakeholders](#) and the additional information provided in the section [↗ Further GRI Information](#) were also subjected to a limited assurance engagement. Information provided in the [↗ SASB Index](#) is also subjected to a limited assurance review on a voluntary basis. The [↗ TCFD Index](#) indicates the sections in which the depth of the audit is identified. Certain individual parts of the [↗ NFS](#) as well as the remainder of the Combined Management Report were also subjected to a reasonable assurance engagement.

Materiality analysis

The material topics covered in our non-financial reporting for the reporting year are derived from the materiality analysis which the BMW Group performed in 2022 in accordance with § 289 c and § 315 c HGB and validated for the 2023 reporting year. The topics that were categorised as material remain those where the actions of the BMW Group may have a significant sustainability impact on the environment and society (inside-out) and which may be of high business relevance to the BMW Group (outside-in). As a result, our focus is on alternative drive systems [↗ Electromobility](#), decarbonisation along the value chain [↗ Carbon emissions](#), responsible sourcing [↗ Purchasing and Supplier Network](#), resource management in line with the principle of the circular economy [↗ Circular Economy, Resource Efficiency and Renewable Energy](#) as well as compliance [↗ Compliance and Human Rights](#). Employee diversity and equal opportunity [↗ Diversity, Equal Opportunity and Inclusion](#) as well as an attractive workplace [↗ Employer Attractiveness and Employee Development](#) are also given high priority within the BMW Group. Our reporting under the GRI standards also covers topics which are considered material from a double materiality perspective because they have a significant environmental impact (inside-out) or are of high business relevance to the BMW Group (outside-in). This concept must be applied from 2024 onwards in accordance with the Corporate Sustainability Reporting Directive. The topics covered in this context are responsible digitalisation [↗ Innovation, Digitalisation and Customer Orientation](#), Product and Road Safety [↗ Product Quality and Safety](#), Occupational Health and Safety [↗ Health and Performance](#) and Sustainable Governance [↗ Performance Management](#).

Connection to figures in the Group Financial Statements

For each topic, an assessment was carried out to identify figures reported in the Group financial statements that enable a better understanding of the NFS, and which therefore need to be disclosed and explained.

Sustainable Development Goals

With its business operations, the BMW Group is in a position to contribute directly to the achievement of Sustainable Development Goals (SDGs), in particular SDG 3, 8, 9, 12 and 13. Information about the importance of these goals for the BMW Group is provided on our [website](#).

Forward-looking statements

This report contains various forward-looking statements concerning future developments that are based on the current status of the BMW Group's assumptions and forecasts. These statements are therefore subject to a variety of predictable and unpredictable risks, uncertainties and other factors, which means that the actual outcome, including that of the BMW Group's net assets, financial position and results of operations, its development or performance, could differ considerably from those statements.

Preparation of non-financial performance figures

Certain non-financial performance figures reported by the BMW Group are based on a significant number of estimates and valuations. Some are complex and subjective in nature, or subject to uncertainty for other reasons. The BMW Group is also continuously updating the policies and procedures used to calculate its non-financial performance figures. It is not always practical to apply new policies and procedures to prior reporting periods. Although the methodology used to calculate indicators is in line with standard practice, some indicators are not directly comparable with the values reported by other companies.

The BMW Group is also required to ensure that third parties report relevant data to the BMW Group correctly. These third parties include independent dealerships - the overwhelming majority of which report vehicle delivery figures to the BMW Group - and suppliers, which provide the BMW Group with data on the implementation of agreed measures designed to reduce carbon emissions.

Statement on Corporate Governance

The Board of Management and the Supervisory Board of BMW AG prepare a yearly combined Statement on Corporate Governance in accordance with § 289 f and § 315 d HGB to report on corporate governance within the BMW Group. The Statement on Corporate Governance is published on BMW AG's website at www.bmwgroup.com/ezu. It also includes the Declaration of Compliance pursuant to § 161 AktG.

Editorial comments

Key figures presented in the report have been rounded in accordance with standard commercial practice. In individual cases, this may mean that figures do not add up exactly to the stated total and that percentages cannot be derived from the values shown.

Summarised disclosures of fuel consumption, carbon emissions and electricity consumption are provided in the section [Consumption and Carbon Disclosures](#).

* See [Glossary](#) for a definition of deliveries.

9	BMW Group In Figures
12	Report of the Supervisory Board
20	Statement of the Chairman of the Board of Management
27	The Board of Management
29	Composition of the Board of Management and Supervisory Board
32	Dialogue with Stakeholders
35	BMW Group and Capital Markets

01 TO OUR STAKEHOLDERS

OTHER NON-FINANCIAL PERFORMANCE FIGURES

	2019	2020	2021	2022	2023	Change in %
GROUP						
Spending on employee training and development (in € million) ¹	370	279	389	416	469	12.7
AUTOMOTIVE SEGMENT						
Deliveries by brand						
BMW ²	2,184,939	2,028,841	2,213,790	2,100,689	2,252,793	7.2
MINI	347,465	292,582	302,138	292,922	295,358	0.8
Rolls-Royce	5,100	3,756	5,586	6,021	6,032	0.2
Total³	2,537,504	2,325,179	2,521,514	2,399,632	2,554,183	6.4
Production by brand						
BMW ³	2,205,841	1,980,740	2,166,644	2,089,801	2,340,547	12.0
MINI	352,729	271,121	288,713	286,265	315,196	10.1
Rolls-Royce	5,455	3,776	5,912	6,239	6,179	-1.0
Total³	2,564,025	2,255,637	2,461,269	2,382,305	2,661,922	11.7
Energy consumption per vehicle produced (in MWh) ⁴	2.04	2.12	2.10	2.13	1.97	-7.5
MOTORCYCLES SEGMENT						
Production						
BMW	187,116	168,104	187,500	215,932	221,988	2.8
FINANCIAL SERVICES SEGMENT						
New contracts with retail customers	2,003,782	1,845,271	1,956,514	1,545,490	1,542,514	-0.2

¹ Training for BMW Group employees and temporary staff at consolidated companies worldwide. Data is collated on the basis of direct input by participants and, to a small extent, by extrapolation. Data also includes e-learning formats.

² Deliveries including BMW Brilliance Automotive Ltd. also for the period prior to full consolidation in the Group Financial Statements (2019: 538,612 units, 2020: 602,247 units, 2021: 651,236 units, 1 January to 10 February 2022: 96,133 units).

³ Production including BMW Brilliance Automotive Ltd. also for the period prior to full consolidation in the Group Financial Statements (2019: 536,509 units, 2020: 602,935 units, 2021: 700,777 units, 1 January to 10 February 2022: 58,507 units).

⁴ Efficiency indicator calculated from the absolute energy consumption (adjusted for CHP losses) of automobile production (BMW Group plants excluding partner plants and contract manufacturing) divided by the number of units produced (BMW Group plants and partner plants, excluding contract manufacturing).

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

We look back on 2023 as a successful financial year in which the BMW Group continued to make decisive progress in ramping up electromobility. This is impressively demonstrated by the fact that all-electric automobiles now make up nearly 15% of total sales. The record high achieved in 2023 for total deliveries across all drivetrain types, and the leading position of the BMW brand in the global premium segment further demonstrate that the BMW Group's flexible drivetrain strategy is the right approach. Rigorous, far-sighted decision-making have made this overall corporate success possible, ensuring that the Group remains resilient, especially in volatile times.

We also achieved a great deal in terms of sustainability in 2023, as our vehicle fleet once again attained figures well within the EU's target limit for fleet carbon emissions.

2024 promises to be an exciting year for the BMW Group with a record number of product launches. We firmly believe that, thanks to the enthusiasm and precision of our strong workforce, we will master the challenges ahead and continue to set ourselves apart from the competition with our wide range of products across all brands and drivetrain types. The enthusiastic response to the presentation of the BMW VISION Neue Klasse at IAA Mobility in Munich clearly demonstrates that the BMW Group is on the right path.



Norbert Reithofer
Chairman of the Supervisory Board

Focus of Supervisory Board activities during the past financial year

The Supervisory Board again performed the duties incumbent upon it with the utmost diligence throughout the financial year 2023.

We continuously and thoroughly monitored the governance of the BMW Group based on in-depth reports received from the Board of Management and provided its members with prudent advice on the management and strategic development of the Group. We focused in particular on driving forward the Group's electrification strategy and expanding it to include all segments and markets, as well as on implementing the corporate strategies adopted in the fields of digitalisation and sustainability. At each of the five plenary sessions of the Supervisory Board (including one two-day meeting), we held detailed discussions with the Board of Management regarding the Group's position. The Board of Management also kept the Supervisory Board well informed regarding any matters of significance outside the framework of formal meetings. Furthermore, I discussed matters personally and on a regular basis with the Chairman of the Board of Management. In addition, the Chairman of the Audit Committee maintained a direct line of contact with the Board of Management member responsible for Finance as well as with the external auditor's representatives outside of meetings. We regularly dealt with internal Supervisory Board issues and personnel-related matters without the presence of the Board of Management. Our cooperation, both within the Supervisory Board and its committees and with the Board of Management, was conducted in a spirit of trust, respect and constructiveness. Detailed documents on the main topics of each meeting were distributed to the members in advance. Moreover, the shareholder and employee representatives regularly prepared for the meetings in separate preliminary discussions.

In its **reports on the BMW Group's position**, the Board of Management kept us well informed at each meeting regarding current developments and the Group's overall performance. A regular topic of discussion at Supervisory Board meetings was the development of current sales trends based on figures analysed by brand, segment and market region, for both the BMW Group and its competitors. There was also a keen focus on electrified vehicles and an overview of the Group's key financial indicators and liquidity situation.

Corporate strategy, including sustainability, remained high on the Supervisory Board's agenda. Following an analysis of the current situation in the automotive industry and the ramifications of geopolitical developments, the Board of Management presented us with a detailed strategy for implementing the automotive transformation. The strategy covered the topics of electrification, digitalisation and sustainability, highlighting in particular the circular economy concept as a key element of the Group's sustainable corporate approach. The BMW Group's ambitious decarbonisation targets for 2030 were also reaffirmed. With regard to digitalisation, the Board of Management has placed the NEUE KLASSE at the centre of its strategy, making it the benchmark for a holistic customer experience. The Board of Management also described the digitalisation of key business processes to the Supervisory

Board. Further topics covered by the Board of Management's extensive report were market strategies focusing particularly on China and Europe, the resilience of supply chains, and the holistic, Group-wide performance programme. The report was rounded off with an analysis of the competition and the outlook for the BMW Group's product portfolio.

At each meeting, the Board of Management updated us on current issues and projects related to strategy development work and implementation. The Board of Management also reported on recent events such as the Group's successful appearance at the IAA Mobility in Munich, the world premiere of the all-electric BMW iX2 and the BMW iX5 Hydrogen at the Japan Mobility Show, and the implementation of the major internal training programme "Digital Boost".

The Supervisory Board also closely monitored **developments relating to major strategic collaborations**. In 2023, the focus was once again on the Chinese market in particular, with respect to both the BMW Brilliance Automotive joint venture and the cooperation with Great Wall Motors for the local production of an all-electric MINI. We were also informed about the status of the investments in YOUR NOW.

At Supervisory Board meetings we regularly addressed the topics of **sustainability and ESG**. In a report on recent developments within the Group, the Board of Management informed us about the cooperation with IONITY on rapid charging networks, the conversion of BMW Group plants in Oxford and Swindon to enable the manufacturing of all-electric MINI vehicles, and the successful outcome of the local referendum held in Irlbach-Straßkirchen on the proposed construction of a new BMW Group plant to manufacture high-voltage batteries, among other things. Furthermore, we were very pleased to note that the BMW Group was presented with awards for activities relating to its sustainability strategy, conferred by a management consultancy and the magazine "Automobilwoche", which voted the Group number one in the automobile manufacturer category. Moreover, the Fair Pay Innovation Lab awarded the BMW Group a gold medal in the category "Fair Pay Leader".

Within the framework of a presentation on the perception of the sustainability of the BMW Group and its brands, we examined the objectives of the Group's corporate ESG strategy in greater detail and looked at corporate communication regarding sustainability issues as well as their media coverage. Regarding the energy transformation within the BMW Group as well as decarbonisation at Group sites, we were informed in particular about the further improvement of energy management and the strategy involving the transition to renewable energy sources at the BMW Group's existing production sites by 2030. We were also provided with reports on plans for new structures where no fossil fuels will be used (such as the plant in Debrecen, where production is scheduled to begin in 2025).

In the course of our work on **corporate governance**, we further developed and updated parts of the Supervisory Board's skills matrix, which was introduced in 2022. Based on a self-assessment, we concluded that the composition of the Supervisory Board at 31 December 2023 fully meets the targets stipulated in the diversity concept and the competency profile.

In the Declaration of Compliance with the German Corporate Governance Code issued in December 2023, the Board of Management and the Supervisory Board confirmed that they have complied with the recommendations of the Code as amended on 28 April 2022 without exception and will continue to fully comply with them in future.

We also dealt with the Group's compliance management system in great depth. In his annual report, the Chief Compliance Officer presented changes to the structure and content of the BMW Group's compliance management system and the revision of compliance regulations. The report also addressed the implementation of the German Supply Chain Due Diligence Act and the handling of individual cases. Moreover, at the Compliance Days in Munich, the Chief Compliance Officer relayed a message from the Chairman of the Board of Management that set the "tone from the top", and addressed operational prevention measures.

At each meeting, the Board of Management informed us about the current status of important legal framework conditions and regulatory projects. These included in particular the EU's regulations regarding fleet carbon emissions in conjunction with the EU's "Fit for 55" package and the Euro 7 emissions standards.

The Supervisory Board examined the **Board of Management's remuneration** in great detail. It reviewed the target structure, maximum remuneration and expected remuneration for the Board of Management for the financial year 2023, considering in particular the Group's performance and the development of remuneration for senior executives and employees in Germany over the past few years. Based on a comparative study conducted by an external independent remuneration consultant and subsequent oral advice, we concluded that the remuneration paid to Board of Management members for the financial year 2022 and the target remuneration for 2023 were appropriate. Detailed information on the Board of Management's remuneration for the financial year 2023 is provided in the Remuneration Report. In December 2023, following thorough preparation by the Personnel Committee, we adopted the variable remuneration targets applicable to Board of Management members for the financial year 2024, taking into account the budget for 2024, the long-term business plan and the BMW Group's corporate strategy, including its ESG goals.

The Board of Management updated the members of the Supervisory Board biannually on the current status of the level of attainment of defined financial KPIs and the KPIs for our ESG targets, such as deliveries of all-electric automobiles, fleet carbon emissions, attractiveness as an employer, and diversity.

In addition, **key topics from the Board of Management's individual areas of responsibility** were on our agenda. Markets in the USA, Canada and Mexico as well as the "fourth pillar" markets, in particular India, South Korea and Japan, were the subject of an in-depth sales report. We discussed regional resilience and the growth strategy for these markets in great depth.

In the highly detailed risk report, we were brought up to date with the structure and working methods of the risk management system. A key focus of the report was on geopolitical risks, especially in the areas of purchasing/supply chains and sales markets as well as the presentation of measures to mitigate risk. On the subject of information security with a focus on IT security, we were informed about the organisation and functioning of the information security management system and the structure of the IT security risk model, as well as the measures derived from it and their effectiveness. The Board of Management also reported on the business performance, sector-specific risk profile and current projects of the Financial Services segment. In addition, we received a report on key topics relating to the Group's treasury system, such as funding, liquidity management, hedging strategies for price and currency risks and the current state of share buyback programmes.

In conjunction with the report on HR-related strategies, we looked at the BMW Group's attractiveness as an employer, employee performance and commitment, and workforce availability. The Board of Management also brought us up to date on the status of the Group's diversity concepts and the extent to which targets have been achieved regarding the proportion of women employed at various levels.

In December 2022, the Supervisory Board agreed to the plan to hold the Annual General Meeting 2023 on a virtual basis in accordance with the regulations applicable at the time. In March 2023, the detailed concept proposed by the Board of Management was approved. With regard to the Annual General Meeting 2024, the Board of Management explained the reasons for its decision in favour of the virtual format to the Supervisory Board.

The BMW Group's **long-term business plan** was the subject of comprehensive examination by the Supervisory Board. In view of the ramp-up of electric mobility in an environment that remains challenging and volatile, the focus was on safeguarding growth and returns. The Board of Management informed us about plans for the various vehicle and corporate segments and ambitious long-term targets, while confirming its key objectives for growth, market shares and profitability. We were presented with key financial indicators for each segment, in addition to opportunities and risks for the planning period. After thorough examination, the Supervisory Board approved the long-term business plan drawn up by the Board of Management.

In December 2023, the Board of Management presented the **budget** for the financial year 2024. After exhaustive discussion with the Board of Management, we gave the budget our approval.

I also met with investor representatives on a regular basis to discuss topics specific to the Supervisory Board during the financial year 2023. We touched on corporate governance issues such as succession planning for the Supervisory Board, the system for the Board of Management's remuneration and the future format of the Annual General Meeting as well as committee work and the Supervisory Board's handling of geopolitical risks.

With the BMW Group's support, Supervisory Board members attended **advanced training courses** on various topics during 2023. At our July meeting held at the BMW Group's Leipzig plant, the subject of which was "BMW Group Production – Electrified. Digital. Sustainable", we discussed the topic of sustainability in production and energy generation at BMW Group sites. In September, we took a first in-depth look at the Group's technology, architecture and product strategy for the period as of 2025, and more closely at the strategic modules of the NEUE KLASSE. The members of the Supervisory Board then tested new BMW, MINI and Rolls-Royce models at the BMW M Driving Academy in Maisach. This involved a drive on the A8 motorway in the new BMW 5 Series sedan, where we tried out the level 2+ Highway Assistant. In addition, we were presented with BMW brand design vehicles, supplemented by a preview of the NEUE KLASSE. A talk by a renowned Chinese economics expert on the state of the Chinese economy in the wake of the coronavirus pandemic and on opportunities for multinational corporations provided some interesting insights into the Chinese market. The Supervisory Board held two hybrid meetings in October and November at which the heads of the responsible internal departments and an external consultant provided us with a comprehensive update on non-financial reporting and the EU taxonomy, focusing on implementation by the BMW Group. We also delved more deeply into the complex processes involved in implementing and reviewing the ambitious decarbonisation targets within the supply chain as well as the main levers for decarbonisation in this area.

The **onboarding programme** for new Supervisory Board members was also continued in 2023. As part of the programme, new members are given an insight into the BMW Group's key business areas and planning processes by representatives of internal specialist departments. The programme also includes an introduction to the ongoing work of the Supervisory Board.

In late 2023, we reviewed the **effectiveness of the work of the Supervisory Board** and its committees with the aid of a questionnaire, and discussed the findings in our subsequent meeting. Cooperation both within the Supervisory Board and with the Board of Management was unanimously perceived as constructive and trustworthy. In the current financial year, we intend to act on proposals to explore certain topics in greater depth, such as battery technology and the circular economy concept.

The Supervisory Board is careful to avoid any conflicts of interest in the course of its deliberations and decision-making processes. No conflicts of interest occurred in the financial year 2023.

Description of Presiding Board activities and committee work

The Supervisory Board has established a Presiding Board and four committees. At each subsequent Supervisory Board meeting, the Chairman of the Audit Committee, Dr Bock, and myself reported in detail on the work of the Presiding Committee and the other committees. Further information on the duties, composition and working methods of the Presiding Board as well as the various other committees is provided in the Statement of Corporate Governance on the BMW Group website.

Unless a particular committee was responsible, the **Presiding Board** prepared the topics for the plenary meetings at its four meetings in cooperation with the Board of Management and senior heads of department. It also put forward proposals for reporting within the Supervisory Board. The Presiding Board focused especially on the corporate strategy and its sustainability-related aspects, in addition to longer-term corporate planning. The report on the BMW Group's position was discussed in detail at every meeting of the Presiding Board.

The **Audit Committee** convened eight times in total.

In March 2023, the focus was on preparing for the Supervisory Board meeting at which the financial statements for the financial year 2022 were discussed and examined. After verifying the matter of independence, the Audit Committee recommended to the Supervisory Board that PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ("PwC") be elected auditor at the Annual General Meeting 2023. There were no indications of conflicts of interest, grounds for exclusion or lack of independence on the part of the auditor.

The Audit Committee concluded that PwC's fee proposal for the audit of the Company and Group Financial Statements and the BMW Group Report 2023, as well as for the review of the Half-Year Report 2023, was appropriate in light of the scope of its tasks. The Committee therefore issued the corresponding contracts to PwC following its election at the Annual General Meeting in May 2023.

The Audit Committee also specified supplementary audit focus areas. Moreover, it approved the scope of the non-audit services to be performed, and received regular reports from PwC regarding these services. At its meetings, the Audit Committee discussed the quality of the audit in depth on several occasions. In particular, it received a report from the relevant department on the Group's experience with the audit of the financial statements for the financial year 2022 and on the results of the survey conducted within the Group for this purpose. Based on this report, the auditor's description of the quality assurance measures undertaken, and the Audit Committee's own experience with the auditor, the audit was found to be of good quality.

The Audit Committee also examined the combined Non-financial Statement of BMW AG and the BMW Group for the financial year 2022, which was part of the BMW Group Report 2022. The Audit Committee had representatives from PwC explain the results of their audit. We have again engaged PwC to conduct a "limited assurance" audit of the Non-financial (Group) Statement for the financial year 2023, to the extent that it relates to parts of the management report that are not subject to a "reasonable assurance" audit. Going beyond the formal review required by law, the Audit Committee also engaged PwC to audit the contents of the Remuneration Report for the financial year 2023.

The Quarterly Statements were presented to us for discussion by the Audit Committee prior to their publication by the Board of Management. Representatives of the external auditors were also present when the Half-Year Financial Report was discussed in early August 2023.

The Board of Management informed the Audit Committee regarding the implementation of the first share buyback programme (which the Audit Committee had already approved in 2022), the redemption of the shares on 18 July 2023 and related reduction in share capital, as well as the second share buyback programme resolved by the Board of Management in May 2023.

At its meeting in July 2023, the Audit Committee considered the effectiveness and appropriateness of the BMW Group's internal control system (including the Corporate Audit function), the compliance management system and the risk management system. In the half-yearly risk reports, we addressed the principal risks facing the BMW Group and their classification. We focused particularly on geopolitical risks and the resulting risk scenarios, especially for supply chains and sales markets, as well as measures to mitigate these risks.

We also addressed the topic of climate-related risks. We regularly monitor the further development of the internal control system for non-financial reporting with regard to the Group's sustainability-related targets.

The head of Corporate Audit presented us with the key audit findings and plans for further internal audits. The Chief Compliance Officer of the BMW Group reported on the structural development of the compliance management system, the implementation of operational measures and further planning. The report also addressed the implementation of the German Supply Chain Due Diligence Act. In addition, we received a report on the BMW Group's tax and customs control system from the responsible head of department.

In its report on the audit of over-the-counter derivatives entered into by BMW AG during the financial year 2022, the external auditor confirmed to the Audit Committee the effectiveness of the system in place at BMW AG in complying with the regulatory requirements of the European Market Infrastructure Regulation.

The Audit Committee received regular reports on the state and development of significant legal proceedings and internal investigations and, in individual cases, discussed product- and emissions-related proceedings with external legal advisors brought in for that purpose.

In its role as a preparatory body, in the course of 2023 the **Personnel Committee** convened four times to deliberate on the remuneration of, and succession planning for, the Board of Management. The review of the appropriateness of the Board of Management's remuneration for the financial years 2022 and 2023 and the determination of the factors for the Board of Management's variable remuneration for those years were the subjects of thorough preparation within the Personnel Committee. The determination of financial and ESG targets for the Board of Management's remuneration for the financial year 2024 was also discussed in great detail. In addition, the Personnel Committee prepared for the change of remuneration consultant in the financial year 2023. The renewal of the anticipatory resolution on the approval of loans and transactions by BMW Bank GmbH was also on the agenda.

The **Nomination Committee** held one meeting in the financial year 2023 in which it discussed the composition of shareholder representatives on the Supervisory Board. Taking into account the composition requirements resolved by the Supervisory Board and the recommendations of the German Corporate Governance Code, the Nomination Committee issued recommendations for the Supervisory Board's election proposals to the Annual General Meeting to be held in 2024.

The **Mediation Committee**, which is prescribed by law, did not need to convene during the financial year under report.

Composition of the Board of Management

The Supervisory Board resolved to extend the term of office of one member and appointed two new members to the Board of Management in the financial year 2023.

The Supervisory Board extended the mandate of Oliver Zipse, the Chairman of the Board of Management.

Dr Nicolas Peter left the Board of Management on 11 May 2023 by mutual agreement as part of a succession arrangement following three decades of successful work at the BMW Group. As the Board of Management member responsible for Finance, he played a key role in shaping the development of the BMW Group with his profound expertise, entrepreneurial flair and vision. His work served to further cement the Group's excellent reputation, both on the capital market and in the public eye. We are greatly indebted to Nicolas Peter for his outstanding contribution.

On 12 May 2023, Walter Mertl was appointed as member of the Board of Management responsible for Finance. He joined the BMW Group in 1998 and was most recently responsible for corporate controlling. Mr Mertl has embodied the Group's commitment to sustainable profitability during the transformation for many years.

On 31 October 2023, Pieter Nota left the Board of Management by mutual agreement, also in line with the BMW Group's succession plans. After becoming the member of the Board of Management responsible for Customer, Brands and Sales in 2018, Mr Nota was a key figure in driving forward the sale of all-electric models and the digitalisation of the customer interface. He was also responsible for introducing a pioneering agency model for direct sales in selected markets. We wish to thank Pieter Nota for his excellent work and valuable inspiration.

On 1 November 2023, Jochen Goller was appointed as member of the Board of Management responsible for Customer, Brands and Sales. Mr Goller has been at the BMW Group since 1999 and has headed up activities in the China region since 2018. In Jochen Goller, we have appointed an internationally experienced sales manager with particular expertise in the Chinese market to the Board of Management.

Composition of the Supervisory Board, the Presiding Board and the Supervisory Board's committees

There were no changes to the composition of the Supervisory Board during the past year on the shareholder representative side. The Annual General Meeting elected Dr Kurt Bock to the Supervisory Board for a further term of office of approximately four years. He was subsequently appointed as Deputy Chairman of the Supervisory Board, member of the Presiding Board and of the Personnel Committee as well as member and Chairman of the Audit Committee.

With regard to the employee representatives, in January 2023 Dr Martin Kimmich was appointed to succeed the departing long-serving First Deputy Chairman of the Supervisory Board, Manfred Schoch, for his remaining term of office. Dr Kimmich has been Chairman of the Munich Works Council and the BMW AG Works Council since 2022.

Disclosure of attendance at meetings by individual members

The attendance rate at Supervisory Board meetings was 99%, and 100% for the meetings held by the various committees and the Presiding Board. The meetings were held in person, with individual members participating virtually only in justified exceptional cases. Three meetings of the Audit Committee that dealt with the quarterly reports were held as hybrid meetings, with individual members connected by either telephone or video call as planned. Individual meeting attendance can be seen in the table below:

Members of the Supervisory Board	Meetings		Attendance		Attendance in %	
	Plenum	Presiding Board/ Committees	Plenum	Presiding Board/ Committees	Plenum	Presiding Board/ Committees
Norbert Reithofer	5	18	5	18	100	100
Martin Kimmich*	5	17	5	17	100	100
Stefan Quandt	5	18	5	18	100	100
Stefan Schmid	5	17	5	17	100	100
Kurt Bock	5	18	5	18	100	100
Christiane Benner	5	–	5	–	100	–
Marc Bitzer	5	–	5	–	100	–
Bernhard Ebner	5	–	5	–	100	–
Rachel Empey	5	8	5	8	100	100
Heinrich Hiesinger	5	–	5	–	100	–
Johann Horn	5	–	5	–	100	–
Susanne Klatten	5	1	4	1	80	100
Jens Köhler	5	–	5	–	100	–
Gerhard Kurz	5	–	5	–	100	–
André Mandl	5	–	5	–	100	–
Dominique Mohabeer	5	8	5	8	100	100
Anke Schäferkordt	5	–	5	–	100	–
Christoph M. Schmidt	5	–	5	–	100	–
Vishal Sikka	5	–	5	–	100	–
Sibylle Wanke	5	–	5	–	100	–

* Member of the Supervisory Board since 18 January 2023.

Review of financial statements and the profit distribution proposal

PwC was appointed external auditor for the financial year 2023. PwC initially conducted a review of the condensed Interim Group Financial Statements and the Interim Group Management Report for the first half of 2023 and presented its findings to the Audit Committee. No issues were identified that might indicate that the condensed Interim Group Financial Statements and Interim Group Management Report had not been prepared in accordance with the applicable provisions in all material respects.

The Company Financial Statements and the Group Financial Statements of BMW AG for the financial year ended 31 December 2023, including the Combined Management Report, on which PwC has issued unqualified audit opinions, were authorised by the Board of Management on 12 March 2024. These audit opinions were signed for the fifth consecutive financial year by independent auditor Petra Justenhoven (Wirtschaftsprüferin) and, for the second time, by Michael Popp (Wirtschaftsprüfer) as the auditor responsible for the performance of the engagement.

At its meeting held on 29 February 2024, the Audit Committee initially gave in-depth consideration to the preliminary version of the Company and Group Financial Statements and the Combined Management Report (including the combined Non-financial (Group) Statement and the information on the EU taxonomy) as well as the draft version of the auditor's long-form reports.

Immediately after authorising their issue, the Board of Management submitted the Company and Group Financial Statements for the financial year 2023 and the Combined Management Report (including the Combined Non-financial (Group) Statement) to the Supervisory Board. The auditor's long-form audit reports were also submitted to the Supervisory Board in a prompt manner. In order to facilitate preparations, drafts of these documents had already been made available to the Supervisory Board in advance.

At its meeting held on 13 March 2024, the Audit Committee diligently examined and deliberated on these documents before they were considered in detail at the plenary session of the Supervisory Board on 14 March 2024.

At the two respective meetings, the Board of Management provided a detailed explanation of the reporting documents submitted to the Audit Committee and the Supervisory Board. The representatives of the external auditor reported on the main findings of their audit and answered questions put to them by members of the Audit Committee and the Supervisory Board, partially without the presence of the members of the Board of Management. Both the Audit Committee and the Supervisory Board gave meticulous consideration to the key audit matters and the related audit procedures.

The representatives of the external auditors confirmed that the risk management system established by the Board of Management is capable of identifying at an early stage any developments that might threaten the Company's going-concern status. They also confirmed that no material weaknesses in the internal control system and risk management system were identified with regard to the financial reporting process.

In the course of their audit work, they did not identify any facts inconsistent with the contents of the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) jointly issued by the Board of Management and the Supervisory Board.

Based on a thorough examination conducted by the Audit Committee and the Supervisory Board, we concurred with the results of the external audit. In accordance with the final result of this examination, no objections were raised. At our meeting held on 14 March 2024, we accordingly approved the Group and Company Financial Statements of BMW AG for the financial year 2023. The Company Financial Statements for the year ended 31 December 2023 have therefore been adopted.

Furthermore, in both the Audit Committee and the full Supervisory Board, we examined the Board of Management's proposal to use the unappropriated profit to pay a dividend of € 6.00 for each share of common stock entitled to receive a dividend and € 6.02 for each share of preferred stock entitled to receive a dividend and to transfer the remaining amount to other revenue reserves. We consider the proposal appropriate and have therefore approved it.

Based on the preparatory work of the Audit Committee, the Supervisory Board and the Board of Management jointly prepared the Remuneration Report for the financial year 2023 in accordance with § 162 AktG. At the request of the Audit Committee, PwC reviewed the contents of the Remuneration Report, reported to both the Audit Committee and the Supervisory Board on the results of the review, and confirmed that the Remuneration Report complies with the financial reporting provisions contained in § 162 AktG in all material respects.

The Audit Committee and the Supervisory Board also carefully examined the combined Non-financial (Group) Statement for the year ended 31 December 2023. Following an in-depth explanation of the statement by the Board of Management, representatives of PwC presented the key findings of their audit and answered additional questions posed by the members of the Supervisory Board. Based on the "limited assurance" audit performed by PwC on those parts of the Management Report and certain sustainability disclosures in the integrated BMW Group Report 2023 that were not subject to a reasonable assurance engagement, PwC issued an unqualified opinion, signed for the second time by Michael Popp (Wirtschaftsprüfer) and for the first time by Annette Fink.

The Supervisory Board acknowledged and approved the combined Non-financial (Group) Statement drawn up by the Board of Management. Following a preparatory review conducted by the Presiding Board as well as a further review at Supervisory Board level, the Statement on Corporate Governance drawn up by the Board of Management was also approved by the Supervisory Board.

Expression of appreciation by the Supervisory Board

With their great dedication and an outstanding collaborative effort during the past financial year, the members of the Board of Management and the employees of the BMW Group worldwide successfully defended the BMW brand's leading position in the global premium segment and significantly expanded the share of electric mobility in Group sales. We therefore wish to express our deep thanks and appreciation to all of them.

We are confident that the Board of Management and the BMW Group's workforce will continue to pursue the BMW Group's chosen path of sustainable and digitalised mobility in 2024, and we eagerly await the launch of the NEUE KLASSE in 2025.

Munich, March 2024

On behalf of the Supervisory Board

Yours
N. Reithofer

Norbert Reithofer

Chairman of the Supervisory Board

STATEMENT OF THE CHAIRMAN OF THE BOARD OF MANAGEMENT

Strong today – strong tomorrow.

**DEAR SHAREHOLDERS,
LADIES AND GENTLEMEN:**

You know your Company: we always think ahead.

We deliver what we say we are going to do – systematically, without making excuses, consistently and reliably. Becoming a little bit better every day – that is what I expect from the Company and from myself. That is how we move forward – bringing ambitious goals closer and gradually turning them into reality. Society likes to talk about the transformation of mobility and the automotive industry.

At the BMW Group, we call it continuous progress.

That is what the BMW Group stands for, like no other company. It is one of the reasons why you, our shareholders, continue to stand by us.



Oliver Zipse
Chairman of the
Board of Management

You lend us your support and give us the latitude we need to make decisions with a long-term perspective. Entrepreneur Herbert Quandt laid the foundation for this many years ago. His family's next generation and all of us who work at the Company are following his legacy. In his spirit, the Company and its employee representatives work together – negotiating firmly, but always focused on finding solutions for the future. That, too, is our lived BMW culture.

All these things make your Company strong and resilient. This is especially true in the current conditions, where we face a variety of extremely demanding requirements in individual regions of the world, with geopolitical uncertainty and entirely new challenges constantly emerging. We provide a substantial response to all these things.

More than 150,000 associates worldwide carry your Company forwards through their hard work and dedication every day. They all value your commitment and your loyalty to the BMW Group as shareholders.

Your Company intends to stay on track for success.

Our business model – individual premium mobility in its different forms and in line with regional requirements – continues to offer substantial potential for achieving profitable growth and gaining market share.

We are taking advantage of these opportunities in our rolling strategic approach and our long-term corporate planning. What sets us apart is that we make conscious decisions, that are consistently based on facts, empirical findings and well-founded analysis – not driven by the current "zeitgeist" or short-term hypes. And, of course, it takes experience and sometimes also common sense.

Our BMW, MINI, Rolls-Royce and BMW Motorrad brands enjoy an excellent reputation worldwide. Our products don't just get people from A to B; they touch hearts and spark emotions. Our customers experience their mobility in a very individual way. To achieve this, we are making mobility more human, more intelligent and more sustainable.

A glance in the rear-view mirror shows that we are certainly capable of doing this: BMW has overcome difficult situations many times in the past. This certainty has shaped our self-confidence for 108 years. Your Company has constantly reinvented itself – taking bold leaps in innovation at exactly the right time.

Timing is key in whether innovations gain traction and the Company stays relevant, but it is also clear that:

The future is always ahead of us. And we are prepared!

We know where we are headed at all times and we know what we need. Our consistent behaviour shapes the image of your Company in the eyes of the public and among our stakeholders. People expect us to consider things carefully and to come up with practical solutions. We "walk the talk" – people know that we take big leaps, but that we also deliver. All-electric vehicles are projected to account for half of our global deliveries before 2030. We are right on track.

Your investment in the BMW Group must be worth it.

Your Company is robust and financially strong. Our Automotive EBIT margin for financial year 2023 was within our upwardly adjusted target range of 9.0 to 10.5%. As you know, we are still targeting a range of 8 to 10% in the long term. At Group level, our EBT margin for 2023 of 11% exceeded our strategic target of 10%.

Our profitability puts us in a position where we can once again pay you an attractive dividend. We are making major investments in our future. The same applies to 2023 as well as to the current financial year. Our R&D spending focus on our products, further electrification and digitalisation of our line-up and automated driving. At the same time, we are investing in the NEUE KLASSE mega-project, our modular kits, construction of high-voltage battery production facilities in various markets, and the new plant in Debrecen, to name just a few examples. Your Company is going to profit noticeably from all this in the coming years.

"We make conscious decisions, that are consistently based on facts."

Strong products generate strong demand.

We delivered a total of 2.55 million vehicles to customers in 2023. As anticipated, we not only posted solid year-on-year growth, but also achieved a new all-time high at Group level. Our brands performed very well individually, too, with new all-time highs for BMW, BMW M, Rolls-Royce and BMW Motorrad. Despite the model changeover due to the extensive realignment of the brand, MINI reported higher sales than the previous year.

Our core BMW brand maintains its leading position in the global premium segment. In March 2024, BMW was ranked number one in the US by the consumer portal "Consumer Reports". This independent platform compared test ratings, reliability, customer satisfaction and safety criteria among 34 automotive manufacturers. Four BMW models even earned the "Green Choice" environmental seal for being among the vehicles in the United States with the lowest emissions.

Dynamic growth for our all-electric models.

In addition to significant growth in the luxury class and upper premium segment, the strongest impetus for growth last year came from our all-electric vehicles. We sold over 375,000 BEVs – which is about 75% more than the previous year. This means that, by the end of 2023, all-electric vehicles made up around 15% of our total sales.

This is also reflected in our share of the global BEV market: at 4.1%, it is already significantly higher than our share of the total global market, which remains stable at 3.3%.

By the end of 2024, we will have more than 15 all-electric models in our line-up across all brands, from MINI to BMW to Rolls-Royce. All of this speaks for our fresh and highly attractive product range – across all brands, all segments and all drive technologies.

In 2023, all our new vehicles went into production or were released onto the market, as planned, including the new BMW 5 Series and the new BMW X2 with the all-electric variants, the i5 and iX2. MINI also presented two models from the all-new MINI family at the IAA MOBILITY: the Cooper 3-door and the Countryman.

BMW Motorrad celebrated its centenary in late September of last year, with Federal Chancellor Olaf Scholz attending the anniversary celebrations at the Berlin-Spandau plant. There were two main highlights: the inauguration of the BMW Motorrad Welt – the counterpart to our BMW Welt in Munich, as a delivery and visitor centre – and the premiere of the R 1300 GS. Fans all over the world have been eagerly awaiting this leap in the next GS generation. All I have to say is: pure high-tech on two wheels – earning extremely positive feedback from the trade press.

Our technological expertise is delivering results.

Our broad, yet centred, approach, with systematic further development of all drive technologies, reflects BMW's typical self-belief, as well as the effectiveness of our strategy. General recognition of our strategy keeps on growing since we continue to present measurable successes in decarbonisation.

Your Company outperformed the EU CO₂ fleet target by 20%.

As in previous years, we not only met the EU CO₂ fleet target for the use phase in 2023, but significantly overfulfilled it: the BMW Group's numbers came in at 26.5 grams significantly below the applicable limit for the reporting year of 128.6 grams of CO₂ per kilometre. We therefore ended up below the CO₂ limit set for BMW by more than 20%.

As you can see, we are continuing the positive trend of recent years, through further electrification of our vehicle portfolio and by using innovative Efficient Dynamics technologies throughout our entire fleet.

Technology openness in BMW 5 Series and 5 Series Touring.

Following on from the new BMW 5 Series Sedan, which has been available since late 2023, the new BMW 5 Series Touring is another perfect example of how our comprehensive technological expertise works in practice.

The Touring, which will be launched this spring, is especially popular in Europe. Here, also, customers will have four drive concepts to choose from: all-electric, plug-in hybrid or highly efficient diesel and petrol engines with 48-volt mild-hybrid technology. BMW is where Touring meets e-drive. No one else in this segment offers a vehicle like the all-electric BMW i5 Touring, with an electric range of over 500 kilometres.

We also haven't forgotten the fans of the BMW M brand: they can look forward to a new edition of the M5 this year – as both Sedan and Touring variants. Both M variants come with an impressive partially electrified drivetrain.

Our plug-in hybrid models remain an important element of our drivetrain portfolio. Current Gen5 battery technology already enables an attractive range. Plug-in hybrids also provide a boost to e-mobility that should not be underestimated. Many customers discover the advantages of electric driving for the first time this way.

Early in 2024, we passed the milestone of two million electrified vehicles sold. This includes both pure electric vehicles and plug-in hybrids.

We are already testing hydrogen drivetrains in everyday situations.

We have been testing the BMW iX5 Hydrogen on the road in selected countries under everyday conditions since last year. Our pilot fleet's world tour has raised awareness of the role hydrogen can play in the energy transition – not just for mobility, but industry-wide. We see hydrogen as a possible alternative drive technology in the mid to long term.

Our vehicles performed well under various climate and traffic conditions – and the public response has been overwhelmingly positive. This is understandable, since hydrogen fuel cell drivetrains combine the best of both worlds: the advantages of an emissions-free e-drive, with the fast refuelling people are used to. We also demonstrated this at the COP28 UN Climate Change Conference in Dubai. Your Company is supporting the growth of the hydrogen economy worldwide, as well as locally, including expansion of infrastructure networks for hydrogen filling stations.

"We are steering the e-mobility ramp-up smartly and precisely in line with demand in all regions of the world."

We aim to continue our profitable growth.

All our brands and drivetrain variants help assure the continued profitable growth of your Company. We expect to see significant double-digit growth in sales of our BEV models again in 2024. We continue to steer the e-mobility ramp-up smartly and precisely in line with differentiated demand in all regions of the world.

We presented our latest models to members of the international media in Portugal in February 2024. Shortly afterwards, we invited 1,500 retailers from 30 European countries to Amsterdam for a glimpse of the future, including the new BMW 1 Series and the latest edition of one of our top-selling individual models, the BMW X3.

The new MINI models for 2024 include the next member of the new MINI family, the Aceman, which will celebrate its world premiere in April 2024. This electric-only crossover in the premium compact-car segment will also bring a massive leap in digitalisation. MINI has a devoted community and creates a unique sense of life and community spirit. The new MINI family is produced at our Chinese joint venture, Spotlight, in Oxford, UK, and, for the first time, in Germany, at the Leipzig plant. At Rolls-Royce, Spectre is the first battery-electric model to become available. Rolls-Royce has long been a standout and unrivalled in the ultra-luxury class with exclusive models.

With the CE02, BMW Motorrad is already releasing its second all-electric model onto the market, as well as the second M motorcycle model, the M 1000 XR, and the R 1300 GS Adventure. That means there will be no fewer than three new top models at BMW Motorrad. They all illustrate the breadth of the product line-up. Everyone – and that also applies to me as a motorcycle rider – can find the right bike for their needs at BMW Motorrad.

NEW RETAIL: direct sales as win-win for everyone involved.

In January 2024, we sold and delivered our first vehicle, a MINI, through our new sales system. We have already switched the MINI brand to a direct sales model in Poland, Italy and Sweden, with other European markets to follow. In China, we have been successfully using this approach for MINI since 2023.

For the BMW brand, we are also setting ourselves up for direct sales access to customers in the future and will be launching NEW RETAIL for BMW in Europe from 2026 onwards.

We aim to digitalise and simplify the car-buying process for customers, with transparent, consistent pricing nationwide. This will create a win-win situation for everyone involved. Our retail partners and their profitable business model will remain an essential pillar of these new arrangements.

Automated driving: the car as digital companion.

It goes without saying that we offer our customers the newest innovations and the latest, state-of-the-art technology. Over-the-air upgrades ensure that every one of our vehicles is always digitally up to date. The art lies in mastering this process: we anticipate far in advance what our customers are going to need and want in five to ten years' time. That is how we ensure they get the best overall package from us. This is our aspiration.

And that is why we keep setting benchmarks:

The BMW 5 Series Sedan is the first car in Germany to be approved for partially automated driving at speeds up to 130 km/h on motorways. The BMW Highway Assistant allows the driver to take their hands off the steering wheel while driving longer distances. We also added a completely new feature: Active Lane Change Assistant with eye confirmation. This allows the vehicle to make an automated lane change without a steering intervention: a glance in the exterior mirror is all that is required.

Taking your hands off the steering wheel and even being able to temporarily turn your attention away from the road – that is Level 3 highly automated driving. From March 2024 onwards, our customers will be able to do precisely this in the models of the new BMW 7 Series. BMW Personal Pilot L3 is the name of this new function, which takes over driving in certain defined traffic situations and manages speed, distance and lane tracking autonomously.

For us, the highest level of premium functionality goes hand in hand with maximum safety for our customers and all road users. We therefore opened the Future Mobility Development Centre in Sokolov in the Czech Republic in summer 2023, where we are testing automated driving and parking functions, up to and including fully automated driving (Level 4). At this location, we are able to simulate virtually all situations that occur in road traffic and thus ensure the maturity of our technical solutions.

NEUE KLASSE – vision becomes reality.

With its spectacular Vision Vehicles, your Company showcases time and again indicates the direction in which we are taking mobility, in line with the major global topics of the future – through bold leaps in innovation and responsible action. This is what our NEUE KLASSE mega-project represents in a unique way.

Last year, there were two major milestones: at the CES in Las Vegas at the start of the year, we unveiled our BMW i Vision Dee, full of digital innovations. Then, in September, at the IAA MOBILITY, we presented our BMW VISION Neue Klasse. No other car at the IAA MOBILITY received as much media coverage and attention as the BMW VISION Neue Klasse.

We also presented this Vision Vehicle to our associates at an exclusive evening event. The interest was huge. Up to 700 associates from across Germany were selected by lottery to attend the event live with a companion. Another 25,000 watched the live stream or the recording of the event. That is a sixth of our global workforce. I see that as genuine interest in our joint future project, the NEUE KLASSE.

"We anticipate far in advance what our customers want. That is how we ensure they get the best overall package from us."

The NEUE KLASSE is so much more than just a single car; it is an entirely new generation of BMW models – all of them developed with an all-electric heart, fully digitalised and with a clear focus on sustainability. The innovations of the NEUE KLASSE will benefit all future BMW models.

We are preparing to launch the NEUE KLASSE onto the market at an unprecedented pace from 2025 onwards, with six models within just 24 months of the start of production. We showed the scope of the NEUE KLASSE in a very concrete way for the first time at the BMW Group Annual Conference on 21 March 2024. Its offering ranges from sporty sedan to X model. The BMW VISION Neue Klasse and our newest Vision Vehicle – the BMW VISION Neue Klasse X – represent these two bookends.

I can promise you that both Vision Vehicles will be on the market soon in a very similar form. In-between these two models, there is plenty of room for everything that will define the BMW brand in the future.

The Board of Management members already had the chance to drive prototypes of the NEUE KLASSE. What a fantastic driving experience! The first camouflaged prototypes are already being tested on the roads and we will be building the first pre-production vehicles before the end of the year.

After the official start of production, in 2025, at our newest BMW plant in Debrecen, Hungary, the NEUE KLASSE will also come off the production line at our oldest plant in Munich from 2026, with other locations worldwide to follow. Incidentally, one out of every two BMWs leaving the Munich production line is already fully electric today. From 2027 onwards, our more than 100-year-old main plant will build only electric vehicles.

"The NEUE KLASSE is much more than just a single car. It is an entirely new generation of BMW models – all of them developed with an all-electric heart, fully digitalised and with a clear focus on sustainability."

Mobility is movement – and movement requires energy and functioning supply chains.

We are talking here about powerful, innovative and sustainably produced battery cells – in other words, high-voltage batteries. In the models of the NEUE KLASSE, we will be using our newly developed round lithium-ion battery cells, which have been optimised for the new architecture, for the very first time.

Our sixth-generation BMW eDrive technology represents an enormous leap in technology, compared to the previous generation: we are increasing energy density by more than 20%, improving charging speed by up to 30% and boosting range by around 30% – at the same time as lowering costs. We are also reducing CO₂ emissions from cell production by up to 60%.

For both basic research and development of mass-manufacturing processes for high-voltage batteries, your Company is relying on in-house expertise. We want to understand every aspect of the high-voltage battery. To do so, we have created the necessary conditions for this with the Battery Cell Competence Centre in Munich and the Cell Manufacturing Competence Centre in Parsdorf, Bavaria, enabling us to span all value creation processes involved in cell production; this is a crucial step for us.

The Gen6 batteries for our plants in Bavaria will be supplied from our planned new location in Irlbach-Straßkirchen from 2026 onwards. Before embarking on the building project, we sought frank and open dialogue with local residents. We were very pleased that they voted strongly in favour of our site and see this as confirmation of our efforts.

Your Company is building production facilities for BMW high-voltage batteries not just in Lower Bavaria, but all over the world – always in close proximity to our vehicle plants in Hungary, the US, Mexico, China and Thailand. Our strategic "local for local" approach also guarantees short transport distances for high-voltage batteries and secures our supply against unforeseen events in different regions of the world.

With our "i Supply Chain" strategy, we are ensuring resilient, excellent and digital supply chains in all areas. Our plants worldwide need supplying with 36 million parts every day – at the right time, in the best quality and in the right quantity. For the digitalisation of our supply chains, we are relying on Catena-X, a shared data ecosystem for automotive manufacturers, suppliers and subcontractors, as well as recycling companies in the future. This digital collaboration increases efficiency and transparency – for example, around the carbon footprint and options for tracing components and raw materials.

People like working for the BMW Group.

Last year, renowned US publication Time Magazine and online platform Statista compared 750 international companies. Your Company did exceptionally well to make it into the top 10, and was, in fact, the highest-ranked automotive manufacturer in the global comparison. Three criteria were decisive for this assessment: revenue growth, sustainability and employee satisfaction. These three are not opposing factors but belong together.

With regard to employees: in autumn 2023, we once again asked our global team to share their opinion. For the first time, all 150,000 associates worldwide were able to take part. 84% took advantage of this opportunity.

The vote was unequivocal: 85% support our strategy – our BMW way. Another very clear majority of 88% said they would recommend our Company as an employer. 93% are proud to work for the BMW Group.

Is there any better foundation for continuing on our successful course together?

2023 was another strong team effort.

Personally, and on behalf of the entire Board of Management, I would like to thank all our associates. Everyone made a valuable contribution. I would also like to thank all our customers worldwide, our retail organisation and our suppliers.

All of us at BMW are united by a can-do spirit: think ahead – perform – succeed!

"Our customers experience their mobility in a very individual way. We therefore are continually laying the foundation for our future success. That is continuous progress. "

Dear Shareholders,

Our business environment will again be dominated by a great many challenges this financial year, including weak economic development in several markets, the price development in the automotive sector, high interest rates and the uncertainty created by geopolitical shifts.

That is why it is so decisive that we recognise and systematically exploit our opportunities. It is important to me that all of us at the BMW Group approach our tasks with self-belief, confidence and the necessary grit. I travel the world a lot, visiting our markets and facilities. Everywhere I go, I see how valuable and important individual mobility is in many people's everyday lives.

Courage, pride in performance and resilience.

That is what makes your Company different. We dare to chart our own course, even in turbulent times; we are able to withstand the headwinds, as long as we are convinced that we are on the right path.

Your Company is a high-performance organisation. That is why we once again have ambitious plans for 2024: on the automotive side, 14 new models will go into production and BMW Motorrad will release a further 12 new models – not to mention numerous model updates and engine variants. We have never postponed a launch and we will not waver from this.

All of this shows that we are continually laying the foundation for our future success. That is continuous progress. In other words: [▶ DRIVING THE NEXT ERA.](#)

That is why the following applies to your Company:
Strong today – strong tomorrow.

*Yours
O. Zipse*

Oliver Zipse
Chairman of the Board of Management



From left to right:

Ilka Horstmeier
Member of the Board of Management,
People and Real Estate

Joachim Post
Member of the Board of Management,
Purchasing and Supplier Network



THE BOARD OF MANAGEMENT

From left to right:

Frank Weber
Member of the Board of Management,
Development

Milan Nedeljković
Member of the Board of Management,
Production



From left to right:

Walter Mertl
Member of the Board of Management,
Finance

Oliver Zipse
Chairman of the Board of Management

Jochen Goller
Member of the Board of Management,
Customer, Brands, Sales



COMPOSITION OF THE BOARD OF MANAGEMENT AND SUPERVISORY BOARD

CURRENT MEMBERS OF THE BOARD OF MANAGEMENT

OLIVER ZIPSE (b. 1964)

Member since 2015

Chairman (since 2019)

Mandates

- Fraunhofer-Gesellschaft zur Förderung der angewandten Forschung e. V., Deputy Chairman

JOCHEN GOLLER (b. 1966)

Member since 1 November 2023

Customer, Brands, Sales

Mandates

- Rolls-Royce Motor Cars Ltd.***, Chairman (since 1 November 2023)

ILKA HORSTMEIER (b. 1969)

Member since 2019

People and Real Estate,
Labour Relations Director

WALTER MERTL (b. 1974)

Member since 12 May 2023

Finance

Mandates

- BMW Brilliance Automotive Ltd.***, Chairman (since 12 May 2023)

DR-ING MILAN NEDELJKOVIĆ (b. 1969)

Member since 2019

Production

Mandates

- BMW (South Africa) (Pty) Ltd.***, Chairman
- BMW Motoren GmbH***, Chairman

DR-ING JOACHIM POST (b. 1971)

Member since 2022

Purchasing and Supplier Network

FRANK WEBER (b. 1966)

Member since 2020

Development

General Counsel:

DR ANDREAS LIEPE

OUTGOING MEMBERS OF THE BOARD OF MANAGEMENT

PIETER NOTA (b. 1964)

Member from 2018 until 31 October 2023

Customer, Brands, Sales

Mandates

- Rolls-Royce Motor Cars Ltd.***, Chairman (until 1 November 2023)

DR NICOLAS PETER (b. 1962)

Member from 2017 until 11 May 2023

Finance

Mandates

- BMW Brilliance Automotive Ltd.***, Chairman (until 11 May 2023)

* Not listed on the stock exchange.

** BMW Group mandate.

*** Group mandate (other).

— Memberships on other mandatory supervisory boards.

— Memberships on comparable boards in Germany and abroad.

CURRENT MEMBERS OF THE SUPERVISORY BOARD

DR-ING DR-ING Eh NORBERT REITHOFER (b. 1956)

Member since 2015, elected until the AGM 2025

Chairman of the Supervisory Board

Former Chairman of the Board of Management of BMW AG

Mandates

- Siemens AG (until 9 February 2023)
- Henkel Management AG*
- Henkel AG & Co. KGaA (Shareholders' Committee)

DR MARTIN KIMMICH¹ (b. 1972)

Member since 18 January 2023, appointed until the AGM 2024

Deputy Chairman of the Supervisory Board

(since 23 January 2023)

Chairman of the General Works Council and Works Council

Munich of BMW AG

STEFAN QUANDT (b. 1966)

Member since 1997, elected until the AGM 2024

Deputy Chairman of the Supervisory Board

Entrepreneur

Mandates

- DELTON Health AG^{***}, Chairman
- DELTON Technology SE^{***}, Chairman
- Frankfurter Allgemeine Zeitung GmbH*
- AQTON SE^{***}, Chairman
- Entrust Corp.^{***}
- SOLARWATT GmbH^{***}

Note: Mr Quandt is the sole shareholder of DELTON Health AG, DELTON Technology SE and AQTON SE, and indirectly holds majority interests in Entrust Corp. and SOLARWATT GmbH.

STEFAN SCHMID¹ (b. 1965)

Member since 2007, elected until the AGM 2024

Deputy Chairman of the Supervisory Board

Chairman of the BMW AG Works Council Dingolfing

DR KURT BOCK (b. 1958)

Member since 2018, elected until the AGM 2027

Deputy Chairman of the Supervisory Board and

Chairman of the Audit Committee

Chairman of the Supervisory Board of BASF SE

Mandates

- BASF SE, Chairman

CHRISTIANE BENNER² (b. 1968)

Member since 2014, elected until the AGM 2024

First Chairwoman of IG Metall (since 23 October 2023)

Mandates

- Continental AG, Deputy Chairwoman

DR MARC BITZER (b. 1965)

Member since 2021, elected until the AGM 2025

Chairman and CEO of Whirlpool Corp.

Mandates

- Simex Trading AG*
- Whirlpool Corp., Chairman

BERNHARD EBNER¹ (b. 1978)

Member since 2021, appointed until the AGM 2024

Chairman of the BMW AG Works Council Landshut

RACHEL EMPEY (b. 1976)

Member since 2021, elected until the AGM 2025

Member of Supervisory Boards

Mandates

- ZF Friedrichshafen AG* (since 15 March 2023)

DR-ING HEINRICH HIESINGER (b. 1960)

Member since 2017, elected until the AGM 2026

Chairman of the Supervisory Board of ZF Friedrichshafen AG

Mandates

- Deutsche Post AG
- Fresenius Management SE*
- ZF Friedrichshafen AG*, Chairman

¹ Employee of the enterprise.

² Union representative.

³ Executive employee of the enterprise.

* Not listed on the stock exchange.

** BMW Group mandate.

*** Group mandate (other).

— Memberships on other mandatory supervisory boards.

— Memberships on comparable boards in Germany and abroad.

JOHANN HORN² (b. 1958)

Member since 2021, appointed until the AGM 2024
Union Secretary

Mandates

- Siemens Healthcare GmbH*

DR HC SUSANNE KLATTEN (b. 1962)

Member since 1997, elected until the AGM 2024
Entrepreneur

Mandates

- ALTANA AG^{***}, Deputy Chairwoman
- SGL Carbon SE, Chairwoman (until 9 May 2023)
- SprinD GmbH*
- UnternehmerTUM GmbH*, Chairwoman

Note: Dr hc Klatten indirectly holds all shares in ALTANA AG and a significant non-controlling interest in SGL Carbon SE; she is the sole shareholder of UnternehmerTUM GmbH. The mandates at SprinD GmbH and UnternehmerTUM GmbH are primarily an expression of her corporate citizenship.

JENS KÖHLER¹ (b. 1964)

Member since 2021, appointed until the AGM 2024
Chairman of the BMW AG Works Council Leipzig

GERHARD KURZ³ (b. 1963)

Member since 2022, appointed until the AGM 2024
Head of Corporate Quality at BMW AG

ANDRÉ MANDL¹ (b. 1984)

Member since 2022, appointed until the AGM 2024
Chairman of the BMW AG Works Council Regensburg/
Wackersdorf

DR DOMINIQUE MOHABEER¹ (b. 1963)

Member since 2012, elected until the AGM 2024
Member of the BMW AG Works Council Munich

ANKE SCHÄFERKORDT (b. 1962)

Member since 2020, elected until the AGM 2025
Member of Supervisory Boards

Mandates

- Serviceplan Group Management SE*
- Wayfair Inc.

PROF DR DR HC CHRISTOPH M. SCHMIDT (b. 1962)

Member since 2021, elected until the AGM 2025
President of RWI - Leibniz-Institute of Economic Research
Essen, University Professor

Mandates

- Basalt-Actien-Gesellschaft*
- Thyssen Vermögensverwaltung GmbH*

DR VISHAL SIKKA (b. 1967)

Member since 2019, elected until the AGM 2024
CEO and Founder, Vianai Systems, Inc.*

Mandates

- GSK plc.
- Oracle Corp.

SIBYLLE WANKEL² (b. 1964)

Member since 2022, appointed until the AGM 2024
Managing Director and First Representative
of IG Metall's Munich Office

Mandates

- KraussMaffei Group GmbH*, Deputy Chairwoman
- MAN Truck & Bus SE*

¹ Employee of the enterprise.

² Union representative.

³ Executive employee of the enterprise.

* Not listed on the stock exchange.

** BMW Group mandate.

*** Group mandate (other).

— Memberships on other mandatory supervisory boards.

— Memberships on comparable boards in Germany and abroad.